

DEPARTMENT OF CALIFORNIA HIGHWAY PATROL

INITIAL STATEMENT OF REASONS ADDENDUM

**TITLE 13, CALIFORNIA CODE OF REGULATIONS
DIVISION 2, CHAPTER 6.5, AMEND ARTICLE 1, DEFINITIONS AND GENERAL PROVISIONS,
SECTION 1200 AND 1201 AND ARTICLE 2, School Bus, SPAB, Youth Bus, and Farm Labor
Vehicle Driver Certificates, SECTIONS 1217, 1221, 1222, AND 1232 AND ADDS NEW SECTION
1231.2 PAB VEHICLE INSPECTION**

**MOTOR CARRIER SAFETY
PUPIL ACTIVITY BUSES
(CHP-R-09-01)
(OAL FILE No. 2011-0105-01S)**

PURPOSE OF REGULATORY ACTION

California Vehicle Code (CVC), Section 34501 requires the Department of the California Highway Patrol (CHP) to adopt reasonable rules and regulations which, in the judgment of the Department, are designed to promote the safe operation of vehicles described in 34500 CVC. Those regulations are contained in Title 13, California Code of Regulations (CCR).

The CHP proposes to amend and add regulations in Title 13, CCR, relating to certain vehicles, under a new classification of vehicle listed in the CVC, Section 545(k), hereafter referred to as a Pupil Activity Bus (PAB), having a passenger capacity of not more than 25 persons including the driver, while being used for the transportation of pupils to or from school-related activities (i.e., Grad Night, proms), if the vehicle is operated by a charter-party carrier licensed by the Public Utilities Commission, not under contractual agreement with a school or district, whereas, this vehicle is excluded from the definition of school bus.

Since publishing the Initial Statement of Reasons, in response to the Office of Administrative Law review, the California Highway Patrol is providing an addendum to provide clarification and necessity for the \$75 annual inspection fee for each vehicle.

FISCAL IMPACT TO THE STATE

The Department has determined these regulation amendments will result in costs incurred by the CHP;

As a result of the public hearing, and careful consideration and review, the PAB vehicle inspection fee of \$90.00 was reduced to \$75; Assembly Bill No. 830, Chapter 649, 2008, permits the CHP to charge a charter-party carrier a reasonable fee sufficient to cover the costs incurred

for conducting the annual inspections; the inspection of the vehicle is for a purpose not previously permitted. A charter-party carrier business choosing to operate a motor vehicle pursuant to CVC, Section 545(k), will be charged a \$75 annual inspection fee for each vehicle.

The CHP may incur an estimated approximate cost of \$335,070 annually; associated to conducting the annual motor vehicle inspections of vehicles operated pursuant to CVC Section 545(k); if every eligible bus based in California participated in the program. There are approximately 3,723 buses in California, as indicated by the PUC, with an 11-25 passenger capacity, that are eligible to take advantage of the school bus exception. The CHP estimated incurred costs are derived from personnel and employers costs at \$90 an hour. Ninety dollars per hour is the cost of a Motor Carrier Specialist I (MCS I) salary and additional employer costs incurred by the CHP. Past history for CHP certified vehicle inspection statistics indicate MCS I personnel will spend approximately one hour to complete the in-depth vehicle inspection, including documentation of the vehicle inspection report, and time processing the applications. The estimated PAB vehicle inspection time includes performing a Level 5 vehicle inspection with existing state equipment and personnel, including personnel time to complete necessary forms and reporting records. A \$55,845 positive revenue is derived from the \$15 vehicle fee already paid by the motor carrier directly to the PUC to offset the CHP tour bus annual terminal inspections.

Public Utilities Commission Section 5372(c), requires each charter-party carrier that operates buses to pay an annual fee of \$15 per tour bus to offset the cost of the annual terminal inspections. The annual terminal inspection includes a representative sample of vehicles; the total amount of vehicles inspected by CHP at each terminal depends upon the vehicle fleet size at a given terminal. The vehicles selected for the terminal inspection are random, varying on different vehicle types, not pre-selected, thus, provides CHP the ability to better ascertain the motor carrier's preventive maintenance practices. The allocation of these monies received by the PUC is then deposited in the Motor Vehicle Account in the State Transportation Fund.

This estimate is speculated to be the same for the subsequent two fiscal years or until one complete fiscal year has ended, providing conclusive statistics.

Data regarding the how many PAB request will be received from industry is unknown and statistics on this new type of vehicle are not available. There are reasonable assumptions CHP resources are at a sufficient level to provide for current mandated programs and the new CVC 545(k) program.